

# Analysis of the effect of organizational performance and organizational environment on management quality with transformational leadership as a moderation variable

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## ABSTRACT

Analysis of the effect of organizational performance and organizational environment on management quality with transformational leadership as a moderation variable. Research on the effect of organizational performance and the organizational environment on management quality is a relevant topic in management science and business. This kind of study aims to understand the relationship between such factors and how they can affect the quality of management in an organization. This study used a descriptive statistical method of sampling using questionnaires with linkert scales, data analysis used using moderation regression analysis using the SPSS V25 program. Respondents were employees of an organization totaling 30 people. Organizational performance exerts a significant influence with a positive direction on the quality of management. The existence of this influence shows that the better the performance of the organization, the better the quality of management in the company.

**Keywords** - Quality Management; organizational environment; organizational performance; Leadership Transformation.

## I. INTRODUCTION

Research on the effect of organizational performance and the organizational environment on management quality is a relevant topic in

management and business science. This kind of study aims to understand the relationship between such factors and how they can affect the quality of management in an organization. In the competition of the business world, selecting the most qualified leader is the most appropriate business practice to obtain a large profit. One challenge is knowing what leadership style works best for the organization during times of growth, change and sustainability.

The leadership needs of a business or organization vary depending on the type of business, staff or employees, and the long-term or long-term goals of the business. The method of operation or how a business plans, executes, monitors, and evaluates its performance is often determined by the type of business and its competitiveness. Organizational performance refers to the extent to which an organization achieves its goals, targets, or objectives that have been set. Organizational performance covers various aspects such as profits, growth, productivity, customer satisfaction and others. Good organizational performance can contribute positively to the quality of management. Successful organizations tend to have effective management systems. Factors such as strong leadership, qualified employees, good strategy, and a healthy organizational culture can affect organizational performance. The organizational environment includes external factors that affect the organization, such as factors.

Organizations that are able to adapt to environmental changes are more likely to implement quality management practices. Quality management refers to the extent to which an organization's management system is effective in planning, organizing, directing, controlling, controlling decision-making, and supervising resources and activities to achieve predetermined goals and objectives. Quality management is a key factor in achieving long-term success for an organization. Organizations that have quality management tend to be more efficient, adaptive, and able to face the challenges that arise in a changing business environment. Efforts to improve management quality typically involve measurement, evaluation, and continuous improvement in existing management systems and practices.

Leadership style and management practices are two aspects of business that are usually considered separate areas within an organization. Is it possible for a leader, that leadership style has a direct impact on the management practices of an organization? This paper examines whether transformational leadership styles can inform or improve the quality of management operating styles. To determine whether transformational leadership can improve the quality of quality management, the first thing to know is to have a thorough understanding of transformational leadership theory.

According to Northouse, Transformational Leadership is a process that transforms and transforms people (2007). This leadership style works by assessing the motives of workers (followers) and trying to satisfy their needs, based on their motivations. In essence, this means treating followers as whole human beings. The term transformational leadership was first coined in 1973 by James Downton (North House, 2007). Five

years later Burns defined transformational leadership as, "A process by which leaders engage with others to create connections that enhance the high motivation and morality of the leader and his followers" (Burns, 1978). In his book, transformational leadership is a powerful leadership style supported by a large amount of research and practice. This paper intends to know and analyze "The Effect of Organizational Performance and Organizational Environment on Management Quality with Transformational Leadership as a Moderation Variable".

### THEORITICAL AND HYPOTHESES

1.1. Organizational performance and management quality

H<sub>1</sub>: Organizational performance positively affects the quality of management

1.2. Organizational environment and management quality

H<sub>2</sub>: The organizational environment positively affects the quality of management

1.3. Transformational leadership and quality management

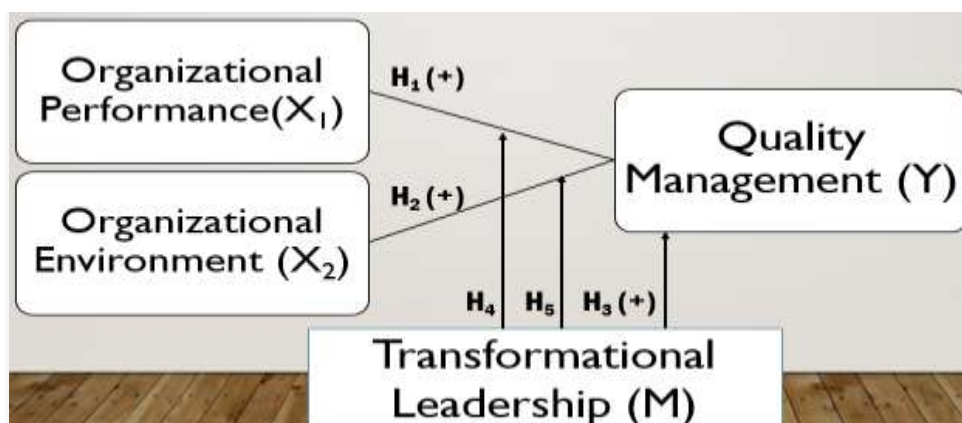
H<sub>3</sub>: Transformasionalkepemimpinanberpengaruhpositif terhadapkualitasmanajemen

1.4. Leadership transformational moderation influences organizational performance on management quality

H<sub>4</sub>: Transformational leadership can moderate the effect of organizational performance on management quality

1.5. Leadership transformational moderation influences the organizational environment on management quality

H<sub>5</sub>: Transformational leadership can moderate the influence of the organizational environment on management quality



## II. RESULTS

**Table 1**

Results of regression analysis for SPSS version 25

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,835 <sup>a</sup>	,697	,634	1,637

a. Predictors: (Constant), X2M, X1, X2, X1M, M

Based on the summary model table, the value of R Square is 0.697 where the percentage of contribution of the influence of variables X<sub>1</sub>, X<sub>2</sub>, M, X<sub>1</sub>M, X<sub>2</sub>M to variable Y is 69.7% while the remaining 30.3% is influenced by other variables that are not included in this model. The figure

indicates that 69.7% of income variables are influenced by independent and moderation variables (organizational environment, organizational performance and transformational leadership).

**Table 2**

### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	148,357	5	29,671	11,068	,000 <sup>b</sup>
	Residual	64,343	24	2,681		
	Total	212,700	29			

a. Dependent Variable: Y

b. Predictors: (Constant), X2M, X1, X2, X1M, M

The output of ANOVA is referred to as Test F. In this section, ANOVA explains whether there is a real (significant) influence on the variables Organizational Environment (X<sub>1</sub>), Organizational Performance (X<sub>2</sub>), and Transformational Leadership (M) which simultaneously (together) affect the Management

Quality variable (Y). From the output in the model it can be seen that the calculated F value is 11.068 (F calculate > F table) with a significance or probability level of 0.000 < 0.05, (Sig. < 0.05) this shows that simultaneously there is a real influence of the independent variable on the dependent variable.

**Tabel 3.1**

### Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-173,214	63,078		-2,746	,011
X <sub>1</sub>	1,841	,642	1,424	2,868	,008
X <sub>2</sub>	4,207	1,525	3,441	2,759	,011
M	5,301	1,768	14,841	2,999	,006
X <sub>1</sub> M	-,050	,018	-4,211	-2,805	,010
X <sub>2</sub> M	-,097	,043	-10,890	-2,241	,035

a. Dependent Variable: Y

The output results on the coefficient show that the organizational environment variable (X<sub>1</sub>) has a significant effect on the Management Quality variable (Y), Organizational Performance (X<sub>2</sub>) has a significant effect on the Management Quality variable (Y), the Transformational Leadership variable has a significant effect on the Management Quality variable (Y), the Transformational

Leadership variable (M) is able to moderate the influence of the Organizational Environment (X<sub>1</sub>) on the Management Quality variable (Y) and the variable Transformational Leadership (M) is able to moderate the effect of Organizational Performance (X<sub>2</sub>) on the Management Quality variable (Y)

### CONCLUSION

Organizational performance exerts a significant influence with a positive direction on the quality of management. The existence of this influence shows that the better the performance of the organization, the better the quality of management in the company. The organizational environment exerts a significant influence with a positive direction on the quality of management. The existence of this influence shows that the better the organizational environment, the better the quality of management in the company. Transformational leadership has a significant effect on the quality of management, which means that the better the transformational leadership, the better the quality of management in the company. Transformational leadership is able to moderate the influence of organizational performance on management quality. This shows that the existence of transformational leadership strengthens the influence of organizational performance on the quality of management in the company. Transformational leadership is able to moderate the influence of the organizational environment on.

### LITERATURE

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